

AUSTIN CITY COUNCIL

AGENDA



Thursday, November 30, 2006

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Austin Water Utility RECOMMENDATION FOR COUNCIL ACTION

ITEM No 7

Subject Approve an ordinance authorizing negotiation and execution of an amendment to the Cost Reimbursement Agreement with Rancho Alto Ventures, Ltd , Inc (1) changing the cost reimbursement method for the 12-inch gravity wastewater main, and (2) waiving the requirements of Section 25-9-62 of the City Code relating to amount of cost participation The overall maximum cost reimbursement amount will not exceed the originally approved \$577,173

Amount and Source of Funding There is no fiscal impact

Fiscal Note A fiscal note is not required

Additional Backup Material

(click to open)

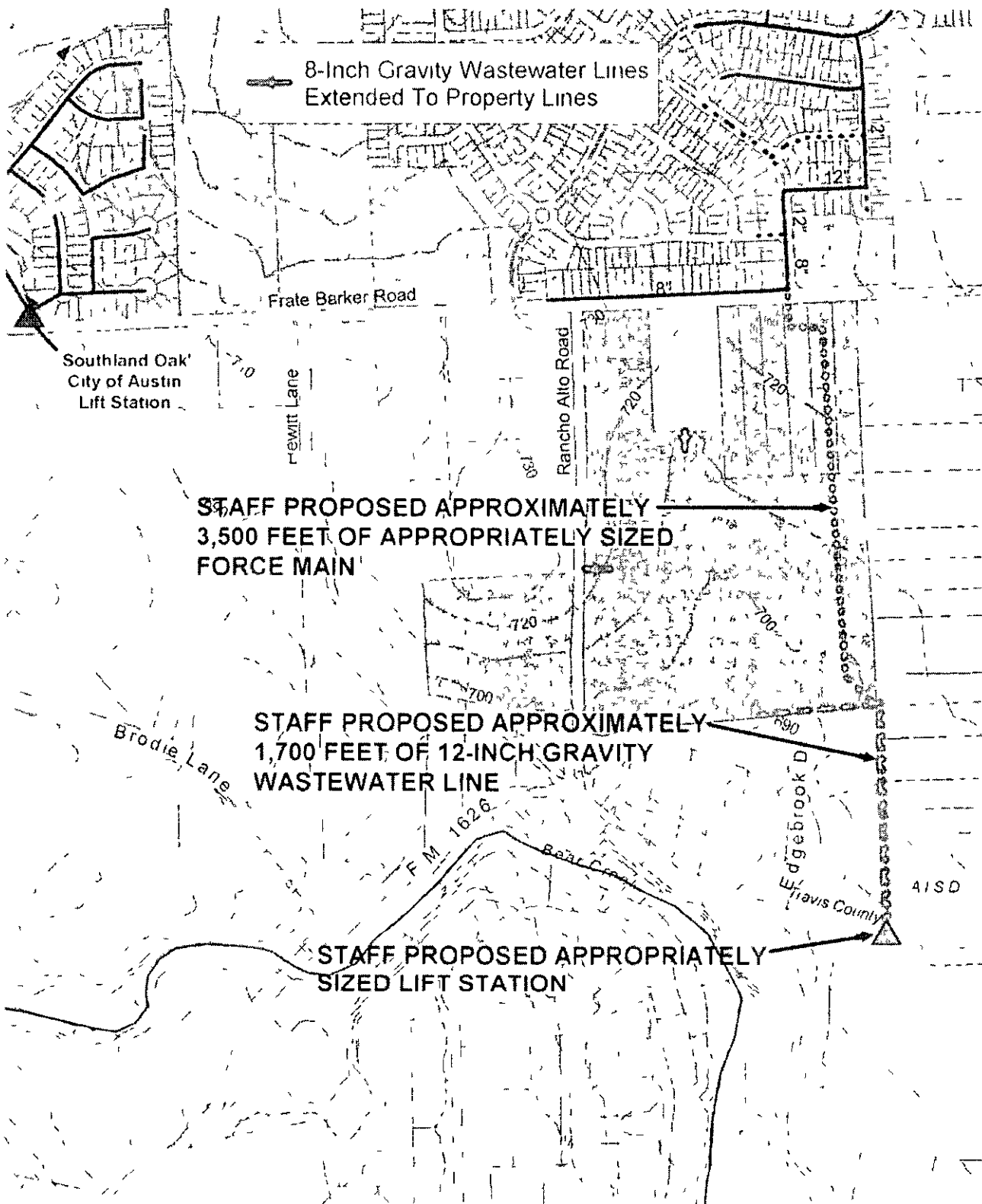
- ☐ [map](#)
- ☐ [Additional information](#)
- ☐ [Water and Wastewater Recommendation](#)
- ☐ [Ordinance](#)

For More Information Seyed Miri, P E 972-0202, Denise Avery 972-0104

Boards and Commission Action Recommended by the Water and Wastewater Commission

Prior Council Action Originally approved by Council on 3-3-05, Ordinance No 050324-3

The Austin Water Utility required certain wastewater system improvements to the Rancho Alto development to provide wastewater service to this development and the area immediately surrounding Rancho Alto (the "Property") Rancho Alto Ventures, Ltd , Inc (the "Owner"), agreed to finance the design and construction of the necessary wastewater improvements required to serve the needs of the proposed development and the surrounding area



700 0 700 Feet

[] Subject Tract

[] City Limits

WW SER Name Rancho Alto
Option One

WW SER Number 2374

The original Council action authorized the negotiation and execution of a cost reimbursement agreement for the construction of an appropriately sized wastewater lift station, force main, 12-inch gravity wastewater main and appurtenances with Rancho Alto Ventures, Ltd , Inc , with not to exceed amounts of \$504,994 00 for the actual cost of construction (hard costs), with an additional \$72,179 00 for the reimbursement of professional services costs (soft costs) for engineering, design and project management, for an overall maximum cost reimbursement amount not to exceed \$577,173 00 Council also waived numerous Sections of the City Code and other City Ordinances The cost reimbursement agreement was executed on August 12, 2005

The cost reimbursement agreement with the Owner required the construction of approximately 1,700 feet of 12-inch gravity wastewater main from the proposed lift station to the Property with City cost participation for the oversized portion of the 12-inch gravity wastewater main Per the City Code the oversized participation amount was computed by multiplying \$3 50 by each inch in diameter that the wastewater main is oversized (8-inch gravity wastewater main to a 12-inch main), by the actual length of wastewater main constructed within public right-of-ways or easements in an amount not to exceed \$23,800 00

Because the actual construction costs for the 12-inch gravity wastewater main and appurtenances were over \$270,000 00, the Owner requested the City for additional compensation that would be equitable to both parties The Utility is recommending reimbursing 33% of the actual costs of the 12-inch gravity wastewater main and appurtenances The City would be reimbursing Rancho Alto for the 4-inch increase in pipe diameter that brings the pipe diameter to a total of 12 inches The 4 inches are 33% of the 12-inch pipe With this additional compensation, plus the remaining cost reimbursement amounts, the overall total maximum cost reimbursement amount will not exceed the originally approved \$577,173 00

	<u>Original Reimbursement Amount</u>	<u>Amended Reimbursement Amount</u>
Hard Costs for Lift Station (40 2%)	\$481,194 00	\$306,364 56
Oversized Participation for 12-Inch Gravity Wastewater Line	\$23,800 00 ¹	\$89,327 49 ²
Engineering Costs for Lift Station (15% of Actual Hard Costs)	<u>\$72,179 00</u>	<u>\$45,954 68</u>
Overall Total Maximum	<u>\$577,173 00</u>	<u>\$441,646 73</u>

¹Oversized Participation Allowed Per Ordinance

²Oversized Participation Based on 33% of Hard Cost

State law adopted in 2005 requires that infrastructure costs required by a political subdivision for a development be “roughly proportionate” to the cost of the infrastructure for the development The proposed proportional share method reflects the intent of this state law

With these changes to the cost reimbursement method of the 12-inch gravity wastewater main and appurtenances, the following waivers from the City Code are required

(a) waiver of the requirements in Section 25-9-62 relating to the amount of costs participation Under this Section, the amount of City costs participation for an oversized wastewater line is computed by multiplying \$3 50 by each inch in diameter that the wastewater line is oversized and multiplying that product by the length of the wastewater line measured in feet

(b) waiver of the requirements in Section 25-9-63 relating to the amount of cost reimbursement Under this Section, the amount of cost reimbursement is limited to the maximum reimbursement provided in Section 25-9-61 which is based on multiplying \$3 50 by each inch in diameter that the main is oversized

This action waives the requirements of Section 25-9-62 and allows reimbursement for the 12-inch gravity wastewater main and appurtenances at 33% of the hard costs

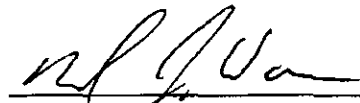
No. 111506-E

**RECOMMEND AN ORDINANCE AUTHORIZING NEGOTIATION AND EXECUTION
OF AN AMENDMENT TO THE EXISTING COST REIMBURSEMENT AGREEMENT
WITH RANCHO ALTO VENTURES, LTD , INC.**

**November 15, 2006
REGULAR MEETING
VOTE**

Motion	Commissioner's Vote				
	Consented	Dissented	Abstained	Absent	
Michael Warner (Chairperson)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chien Lee, P E , (Vice Chair)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ronnie Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leslie Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Friese, P E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Laura Raun	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheryl Scott-Ryan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Dale Gray	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Water and Wastewater Commission recommend an ordinance authorizing negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with Rancho Alto Ventures, Ltd , Inc , a Texas limited partnership, providing terms and conditions to change the cost reimbursement method originally approved for the 12-inch gravity wastewater main from the oversized participation amount computed per the City Code to a proportional share method equitable to the Owner and City which will require approval of an Ordinance waiving the requirements of Section 25-9-61 of the City Code relating to maximum cost reimbursement of a facility, waiving the requirements of Section 25-9-63 of the City Code relating to amount of cost reimbursement. The overall maximum cost reimbursement amount will not exceed the originally approved \$577,173



Michael Warner, Chairperson
Water and Wastewater Commission

11/13/06
Date

ORDINANCE NO.

1 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE
2 AND EXECUTE AN AMENDMENT TO THE EXISTING COST
3 REIMBURSEMENT AGREEMENT WITH RANCHO ALTO VENTURES, LTD.,
4 INC., TO CHANGE THE COST REIMBURSEMENT METHOD ORIGINALLY
5 APPROVED FOR THE 12-INCH GRAVITY WASTEWATER MAIN; AND
6 WAIVING THE REQUIREMENTS OF CITY CODE SECTION 25-9-62
7 RELATING TO THE AMOUNT OF COST PARTICIPATION.
8

9 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

10
11 **PART 1.** Council authorizes the city manager to negotiate and execute an amendment to
12 the existing Cost Reimbursement Agreement with Rancho Alto Ventures, Ltd, Inc, a
13 Texas limited partnership, providing for use of a proportional share method for cost
14 reimbursement instead of the cost reimbursement method prescribed by City Code. The
15 maximum cost reimbursement amount may not exceed the originally approved
16 \$577,173 00

17 **PART 2.** The council waives the provision of Section 25-9-62 (*Amount of Cost*
18 *Participation*) of the City Code prescribing the method for calculating the amount of City
19 cost participation for an oversized facility.

20 **PART 3.** This ordinance takes effect on _____, 2006

21
22 **PASSED AND APPROVED**

23
24
25
26 _____, 2006 §
27 §
28 §

Will Wynn
Mayor

29
30
31 **APPROVED:** _____
32 David Allan Smith
33 City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk